



# Montgomery County Council

*From the Office of Councilmember Mike Knapp*

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## **Knapp Offers Charter Limit Budget Proposals**

*Proposals Increase Funding, Meet Charter Limit,  
And Will Not Reduce Programs or Services*

ROCKVILLE – Citing the need for a fiscally responsible, more accountable county budget, Councilmember Mike Knapp today proposed two approaches that would allow the County Council to draft a budget that falls within the charter limit. These proposals provide continued funding for all County programs and services, increase funding for core services, and limit the growth of government spending to the levels established by the charter limit.

“It’s time to bring discipline and common sense back to the budget process,” Knapp said. “Under the budget proposal presently before the council, we are rapidly approaching a point where we will increase government spending at a rate that will no longer be sustainable by County residents and taxpayers.

“My proposals show it is possible to fund all programs at their existing levels, provide increases for our most critical services, and still live within the charter limit – and our own means,” stated Knapp. “If the council chooses to exceed the charter limit, the burden of proof is on the council to show what our needs are out beyond the charter limit.”

Knapp's proposals would provide county property owners with a reduction in taxes on the assessed value of their homes, cutting the tax rate from \$1.01 per \$100 to 94 cents per \$100. For homes with an assessed value of \$400,000, for example, the Knapp proposal would lower property taxes by \$288; under the County Executive's proposed budget, property taxes on the same home would drop by \$80.

The first Knapp proposal – the “Priorities Proposal” – would limit the growth of government spending to the amount allowed under the charter limit – and would, in fact, fall approximately \$10 million below the amount of growth allowed by the charter limit. It would maintain current spending levels for all county programs, ensuring every program would receive at least as much funding as it received in fiscal year 2005, and would increase spending in five targeted areas: public safety, education, infrastructure, county employee contracts, and assistance for the most vulnerable populations. This proposal also leaves a \$10 million “buffer” that could be allocated among other council priorities – such as the arts, parks and recreation, or the Community Kids program – and still stay within the charter limit

The second Knapp proposal would provide a 7.1% aggregate increase for county departments and agencies. This would not only ensure a fully-funded education budget, but would guarantee also that every agency and department would receive an increase that exceeds the rate of inflation. Further, it also covers the costs associated with all increases in contracts for current county employees.

“We must dispel the notion that meeting the charter limit can’t be accomplished without dramatic cuts to programs and services,” Knapp said. “My proposals meet the charter limit, and do it without cutting any existing programs, projects, or services. Each proposal continues to fund at current levels all the programs and services that make our county a great place to live – and increases spending on those services that are most critical to our county, our communities, and our residents.”

Knapp pointed out that it is possible to stay within the charter limit without depleting the reserve or further increasing the energy tax if

government determines its priorities and where it will target funding increases. “These budget proposals stay within the charter limit without gimmicks,” Knapp said. “There are no tricks, tax increases or new fees; both of my proposals keep to the charter limit simply by making tough choices about what our priorities should be as a county and as a county government.

“I’ve shown with these two proposals that a charter limit budget can be achieved,” Knapp added. “There are clearly other ways to stay within the charter limit. I hope the council will engage in a frank discussion of other budget options.”

“In February, my colleagues unanimously supported my resolution requiring us to set spending and programmatic priorities, yet no one has ever determined what those priorities really are,” Knapp said. “My proposals set priorities and fund them responsibly, while still being mindful of other existing projects and of the charter limit. If the council believes that resources should be diverted from these priorities to other programs or services, I welcome a frank and open discussion of what those programs or services might be.”

“While residents have generously given us the authority to increase their own taxes to pay for the services that take care of our neediest citizens and make our communities vibrant places to live, government should not mistake taxpayer generosity for taxpayer recklessness,” Knapp said. “We’ve got to get back to common sense budgeting that promotes our core priorities, responsibly funds existing services, and respects the charter limit.”

A description of the Knapp “Priorities Proposal” follows.

*Michael J. Knapp represents the UpCounty in District 2, which includes Barnesville, Clarksburg, Damascus, Darnestown, Germantown, Laytonsville, Olney, and Poolesville.*

# The Knapp “Priorities Proposal”

- The Knapp “Priorities Proposal” would increase county spending by almost \$175 million over the FY 2005 level. This is approximately \$10 million below the amount allowed by the charter limit. This \$10 million could be allocated toward other county priorities.
- The Knapp proposal does not further increase the energy tax, and keeps the county reserve at 6 percent.
- The Knapp budget would fund all county government projects, programs and services at their current funding levels.
- The Knapp budget proposal would provide increases in the following targeted priority areas:
  - ✓ County Employee Contracts: The Knapp proposal contains more than a \$35 million increase over the FY 2005 compensation and benefits expenditures for all current county employees. This includes contracts for service employees, firefighters, and police. This increase covers all increases that have been negotiated for current county employee contracts.
  - ✓ Education: The Knapp proposal increases funding for Montgomery County Public Schools by \$100 million, the same increase recommended by the Chairman of Council’s Education Committee. County funding for Montgomery College would increase by \$13 million, the same level proposed by the County Executive. Libraries would receive a \$300,000 increase targeted for collection acquisition. These increases would ensure increased investments in facilities, accountability, programmatic funding, teacher contracts, expansion of all day kindergarten, and new teaching positions to address the class size issue.
  - ✓ Services for Vulnerable Populations: The Knapp proposal provides increased funding for Montgomery Cares – Access to Health Care for the Uninsured. As part of a five year expansion of the program, this amount would increase the number receiving health care services at safety net clinics from 13,000 to 40,000 by FY 2010. It also includes increased funding for the African American, Asian American, and Latino Health Programs; continued funding to provide medical care for uninsured children in the Care for Kids Program; creation of a strategic plan for services for seniors; and expanded Linkages to Learning – all at the same funding levels requested by the County Executive.

- ✓ Public Safety: The Knapp proposal provides an \$18 million increase for police, approaching the amount requested by the Montgomery County Chief of Police, and \$2 million for sheriff, corrections, and the state's attorney. This funding will be used for new officers, equipment, jails, and for the gang initiative. Funding for Fire and Rescue is increased by \$21 million over 2005, \$6 million more than the County Executive's budget request. This amount ensures adequate funding for apparatus and maintenance, and increased staffing in key locations identified by the Fire Chief.
- ✓ Infrastructure: The Knapp proposal includes \$400,000 for transportation infrastructure, as identified in the Report of the Infrastructure Maintenance Task Force convened by Council President Tom Perez. It also includes resources to update the county's electronic finance and accounting system.

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